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United Nations

United Nations Institute for Training and Research

Financial report and audited financial statements

for the biennium ended 31 December 2001 and

Report of the Board of Auditors

General Assembly
Official Records
Fifty-seventh Session
Supplement No. 5D (A/57/5/Add.4)

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Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Letters of transmittal

8 May 2002

Pursuant to financial regulation 11.4, I have the honour to submit the 2000-2001 biennial accounts of the United Nations Institute for Training and Research as at 31 December 2001, which I hereby approve.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(*Signed*) Marcel A. **Boisard**
Executive Director
United Nations Institute for Training and Research

The Chairman
The Board of Auditors
United Nations
New York

27 June 2002

I have the honour to transmit to you the financial statements of the United Nations Institute for Training and Research for the biennium 2000-2001 ended 31 December 2001, which were submitted by the Executive Director. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts.

(*Signed*) Shauket A. **Fakie**
Auditor-General of the Republic of South Africa
and Chairman
United Nations Board of Auditors

The President of the
General Assembly of
the United Nations
New York

Chapter I

Financial report for the biennium ended 31 December 2001

Introduction

1. The Executive Director has the honour to submit herewith the financial report, together with the accounts for the biennium ended 31 December 2001, of the United Nations Institute for Training and Research (UNITAR).

Statement I
Income and expenditure and changes in reserves and fund balances

General Fund

2. Of the amount of $758,771 shown in statement I under voluntary contributions, $721,934 was received from Governments. In addition, the Institute received $778,395 as programme support income, $54,656 as other income and $85,600 as interest income, for a total income of $1,677,422. Expenditures for the biennium amounted to $1,790,253, which resulted in a shortfall of income over expenditure of $112,831. The savings on prior-period obligations of $22,932 reduced the shortfall. The reserve and fund balance at the end of December 2001 amounted to $772,520.

Special-Purpose Grants Fund

3. A total amount of $10,696,605 was received as grants. Total income in this fund was $11,274,136 after the inclusion of interest income and miscellaneous income. Total expenditure was $9,032,399, resulting in an excess of income over expenditure of $2,216,059 for the special-purpose grants taken as a whole. After the inclusion of transfers from other funds of $3,940, refunds to donors of $213,336 and savings on prior-period obligations of $97,732 the fund balance amounted to $4,482,891.

Activities financed by the United Nations Development Programme

4. The total amount allocated by the United Nations Development Programme (UNDP) was $937,804. Total expenditure amounted to $937,804, including programme support costs of $57,453.

Statement II
Assets, liabilities, reserves and fund balances

General Fund

5. The assets of the General Fund amounted to $833,849, including cash of $790,503, pledged contributions receivable of $35,400 and other accounts receivable of $7,946. Liabilities consisted of contributions received in advance of $26,400 accounts payable of $258 and unliquidated obligations of $34,671. The operating reserve amounted to $133,781 and the cumulative surplus to $638,739.

Special-Purpose Grants Fund

6. Total assets of $4,919,367 included cash of $4,823,346, inter-fund balances receivable of $44,872 and other accounts receivable of $51,149. Liabilities consisted of unliquidated obligations of $374,111 and other accounts payable of $62,365.

7. The fund balance relating to projects funded by donors was $4,482,891 as at 31 December 2001.

Activities financed by the United Nations Development Programme

8. Assets consisted of inter-fund balances receivable of $73,943 and other accounts receivable of $379,922.

9. Liabilities included unliquidated obligations of $448,371 and other accounts payable of $5,494.

Statement IV
Status of expenditures against approved budget

10. Statement IV gives the status of General Fund expenditures against the approved budget for the biennium 2000-2001. Total expenditures amounted to $1,790,253. The breakdown of expenditures by major object of expenditure is as follows:

Object of expenditure	*United States dollars*	*Per cent*
Staff and other personnel costs[a]	1 370 331	76.55
Travel	86 136	4.81
Contractual services	11 424	0.64
Operating expenses	202 091	11.29
Acquisitions	37 632	2.10
Other	82 639	4.61
Total	**1 790 253**	**100.00**

[a] Includes fixed- and short-term staff, individual contractors, consultants' fees and travel.

Annex

Supplementary information

1. The present annex includes an explanation of the double-accounting contained in the financial statements along with information the Secretary-General is required to report.

Double-counting in the financial statements

2. The Institute's financial statements for individual funds contain elements of double-counting of income and expenditure totalling $778,395. These amounts have been eliminated from the income and expenditure figures shown in the total columns of statement I.

Write-off of losses of property

3. Property losses of $45,492 (based on their original cost) were written off in accordance with financial rule 110.15 during the biennium 2000-2001. Those write-offs brought the recorded balances of the properties to the same levels as those shown in the property records for the actual quantities on hand. The details of the amounts written off were reported to the Board of Auditors in accordance with the provisions of financial rule 110.14 (b).

Chapter II
Report of the Board of Auditors

Summary

The Board of Auditors has audited the operations of the United Nations Institute for Training and Research (UNITAR) in Geneva and its financial statements for the biennium ended 31 December 2001.

The Board's main findings are as follows:

(a) The programme support cost rates applied to projects is sometimes too low to fully cover the costs;

(b) UNITAR does not list the beneficiaries of its programmes by groups of countries and is not able to provide precise information by country category (namely, developed countries, countries in transition and developing countries);

(c) The discrepancy, outlined by the General Assembly in its resolutions 55/208 and 56/208, between the decline in contributions to the General Fund and the increase in participation in the Institute's core programme, is continuing.

The Board made recommendations with regard to support cost rates and the participation of developing countries in the training programmes.

A list of the main recommendations is set out in paragraph 12 of the report.

A. Introduction

1. The Board of Auditors has audited the financial statements of the United Nations Institute for Training and Research (UNITAR) for the biennium 2000-2001 in accordance with General Assembly resolution 74 (I) of 7 December 1946. The audit was conducted in conformity with article XII of the Financial Regulations and Rules of the United Nations and the annex thereto and the common auditing standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. Those standards require that the Board plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

2. The audit was conducted to enable the Board to form an opinion as to whether the expenditures recorded in the financial statements for the biennium 2000-2001 had been incurred for the purposes approved by the governing bodies, whether income and expenditures had been properly classified and recorded in accordance with the Financial Regulations and Rules and whether the financial statements of UNITAR presented fairly the financial position as at 31 December 2001.

3. The audit included a general review of financial systems and internal controls and a test examination of accounting records and other supporting evidence to the extent that the Board considered it necessary to form an opinion on the financial statements.

4. In addition to its audit of the accounts and financial transactions, the Board carried out reviews under article 12.5 of the United Nations Financial Regulations. The reviews concerned primarily the efficiency of financial procedures, the internal financial controls and, in general, the administration and management of UNITAR.

5. In the biennium 2000-2001, the Board examined the follow-up of its previous recommendations and the compliance of UNITAR with statutory regulations regarding programme beneficiaries.

6. The Board continued its practice of reporting the results of specific audits in management letters containing detailed observations and recommendations to the Administration.

7. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the Administration, whose views, where appropriate, have been reflected in the present report.

8. A summary of the Board's main recommendations is contained in paragraph 12. The detailed findings are reported in paragraphs 14 to 35.

1. Previous recommendations not fully implemented

9. In accordance with section A, paragraph 7, of General Assembly resolution 51/225 of 3 April 1997, the Board has reviewed the action taken by UNITAR to implement the recommendations made in the Board's report relating to the biennium 1996-1997[a] and confirms that there are no outstanding matters.

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[a] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 5D* (A/53/5/Add.4), chap. II.

10. In accordance with General Assembly resolution 48/216 B of 23 December 1993, the Board also reviewed the measures taken by the Administration to implement the recommendations made in its report for the period ended 31 December 1999.[a] Details of the action taken and the comments of the Board are set out in the annex to the present report.

11. The General Assembly, in its resolution 52/212 B of 31 March 1998, accepted the recommendations of the Board of Auditors for improving the implementation of its recommendations approved by the Assembly subject to the provisions contained in the resolution. The Board's proposals, which were transmitted to the Assembly in a note by the Secretary-General (A/52/753, annex), included the following main elements:

(a) The need for the specification of timetables for the implementation of recommendations;

(b) The disclosure of office-holders to be held accountable;

(c) The establishment of an effective mechanism to strengthen oversight in regard to the implementation of audit recommendations. Such a mechanism could be in the form of either a special committee comprising senior officials or a focal point for audit and oversight matters.

The Board noted that the Administration had generally complied with those requirements.

2. Main recommendations

12. **The Board's main recommendations are that UNITAR should:**

(a) Apply a lower support cost rate only after certifying in writing that the funding of the project would otherwise be jeopardized (para. 23);

(b) Update its database so that the Executive Director's report includes a breakdown of participants in training programmes by country category (para. 29);

(c) Address the discrepancy outlined by the General Assembly between the decline in contributions to the General Fund of the Institute and the increase in industrialized countries' participation in its programmes (para. 34).

13. The Board's other recommendations are shown in paragraphs 20 and 25.

B. Financial issues

1. Financial situation of the General Fund: voluntary contributions

14. The UNITAR financial statements, which are kept on a fund accounting basis, reflect three categories of funds, all funded by voluntary contributions: the General Fund, the Special-Purpose Grants Fund and activities financed by the United Nations Development Programme (UNDP). Contributions accounted for in the last two funds are earmarked for specific projects to be carried out by UNITAR. Contributions to the General Fund are not earmarked; they fund both the

[a] Ibid., *Fifty-fifth Session, Supplement No. 5D* (A/55/5/Add.4), chap. II.

administrative expenses and the training programme for international cooperation and multilateral diplomacy.

15. There has been a decline in the level of voluntary contributions credited to the General Fund ($903,410 in 1998-1999 and $758,771 in 2000-2001) and in the number of donor countries (38 in 1998-1999 and 32 in 2000-2001, with pledges from two of them unpaid as at 31 December 2001). Only four countries contribute significantly to the General Fund, to a total of 60 per cent of all contributions made in 2000-2001. As a consequence, the shortfall of income over expenditure amounted to $112,831 ($130,879 after prior-period adjustments). Considering the level of General Fund reserves ($772,520), continuity of operations might be of concern in future years if the present trend is not reversed.

16. This financial fragility led the General Assembly, in its resolution 55/208 of 20 December 2000, to encourage the Board of Trustees of the Institute to continue its efforts to resolve the critical financial situation, in particular with a view to broadening its donor base and increasing the contributions made to the General Fund. This encouragement was repeated by the Assembly in its resolution 56/208 of 21 December 2001. UNITAR has attempted to collect more contributions, but its fund-raising efforts have been unsuccessful. The Board of Trustees in May 2002 established a committee, initially composed of six Trustees, to assist the Executive Director in fund-raising tasks.

2. United Nations system accounting standards

17. The Board assessed the extent to which the UNITAR financial statements for the biennium ended 31 December 2001 conformed to the United Nations system accounting standards. The review indicated that the presentation of the financial statements was generally consistent with the standards, except to the extent of the issues raised in the present report.

3. Operating reserves

18. Administrative instruction ST/AI/284 of 1 March 1982 relative to general trust funds states that normally, an operating cash reserve at a constant level of 15 per cent of estimated annual expenditures is to be maintained during the implementation of trust fund activities to cover shortfalls and is to be utilized to meet the final expenditures under the trust fund, including any liquidating liabilities. The instruction ST/AI/285 of the same date applies the same rule to technical cooperation trust funds.

19. This reserve ($133,781) is maintained for the General Fund to cover any exceptional expenditure should UNITAR run into difficulties. However, none is maintained for the Special-Purpose Grants Fund or for activities financed by UNDP. UNITAR has approximately 80 separate trust fund accounts, with a reserve and fund balance of $4,482,891 at the end of 2001. All expenditure is planned in advance, and normally a detailed budget is agreed upon with donors. Consequently, UNITAR considers that over-expenditure is not possible since the Integrated Management Information System (IMIS) accounting system has been in place and that to retain 15 per cent of a project expenditure would be overly prudent, as a serious cash-flow problem could be created.

20. **The Board recommends that UNITAR continue to monitor the potential need for a Special-Purpose Grants Fund reserve and set up such a reserve in line with administrative instructions ST/AI/284 and ST/AI/285 as soon as it is warranted by the circumstances.**

4. Programme support income

21. Voluntary contributions ($758,771) and programme support income ($778,395) are the main sources of income for the General Fund. Programme support costs are levied on projects funded by the Special-Purpose Grants Fund ($720,942) and UNDP ($57,453). Those monies are credited to the General Fund, since they are aimed at covering overhead costs.

22. UNITAR has had difficulty in persuading donors to apply the standard United Nations rate for programme support of 13 per cent of actual expenditures. It is very often compelled to lower the support cost rate applicable to a project. During the biennium 2000-2001, out of 76 Special-Purpose Grants Fund projects, the standard rate was applied to only about half. The other rates were 12 per cent (7 projects), 10 per cent (2 projects), 9.5 per cent (1 project), 8 per cent (1 project), 7 per cent (5 projects), 6.5 per cent (8 projects) and 5 per cent (13 projects). The consequence is a loss of income for UNITAR that can be estimated at some $359,000 on $8.3 million in the Special-Purpose Grants Fund, which generated only $720,924 in actual programme support income. UNITAR agrees that every effort must be made to ensure that the programme support cost rate is levied at 13 per cent, and has begun to document details of projects for which a programme support cost rate of less than 13 per cent is used. This document will contain the authorization of the Executive Director and reasons for the use of the lower rate. Concerning UNDP, support services for policy and programme development projects and support for technical services at the project level do not incur programme support costs. These projects are standard UNDP projects that are used throughout the United Nations agencies for which the rules have been established by UNDP. UNITAR informed the Board that for administrative and operational services projects, it would endeavour to ensure that the standard rate of 10 per cent is used and would document any projects using a lower rate in the manner described for Special-Purpose Grants Fund grants.

23. **The Board encouraged UNITAR to remind donors of support cost rules and recommended, with the agreement of UNITAR, to apply a lower support cost only after documenting that the funding of the project would otherwise be jeopardized.**

5. Separation costs for staff members entitled to international benefits

24. The accrued net liability for the end-of-service benefits of all active employees, as disclosed in note 4 to the financial statements, was $810,000 as at 31 December 2001. Among those employees, 19 (12 as at 31 December 1999) were entitled to international benefits in terms of repatriation grants and related relocation expenditures upon their termination from the Institute, based on the number of years of service. The Institute's total liability for such unpaid repatriation and relocation entitlements as at 31 December 2001 was estimated at approximately $397,000. IMIS registers a reserve of 8 per cent of net salaries to cover future separation costs, in compliance with the IMIS payroll posting rules. But this reserve concerns only the regular budget, and there is no reserve for UNITAR staff members funded from

extrabudgetary resources. Consequently, when a staff member leaves UNITAR, the end-of-service costs are charged to the project to which his or her salary was attached, which may lead to an unexpected reduction in that project's deliverables in order to offset the cost. During the biennium 2000-2001, three staff members who are entitled to international benefits left UNITAR and received $75,574.

25. **The Board considers that, especially in view of the limited and decreasing resources of UNITAR, this is a matter of concern and recommends that UNITAR provide for separation costs for non-regular budget staff members entitled to international benefits, while reviewing, in conjunction with the United Nations and other funds and programmes, the funding mechanism and targets for after-service benefits to provide for the full estimated liability.**

6. Write-off of losses of cash, receivables and property

26. UNITAR informed the Board that during the biennium 2000-2001 it had written off a total of $45,491. This comprised $27,670 for obsolete equipment, $9,530 for items left in a building that UNITAR vacated in December 1998 and $8,291 in equipment presumed to be lost or stolen.

7. Ex gratia payments

27. No ex gratia payments were reported during the period.

C. Management issues

1. Statistics by groups of countries

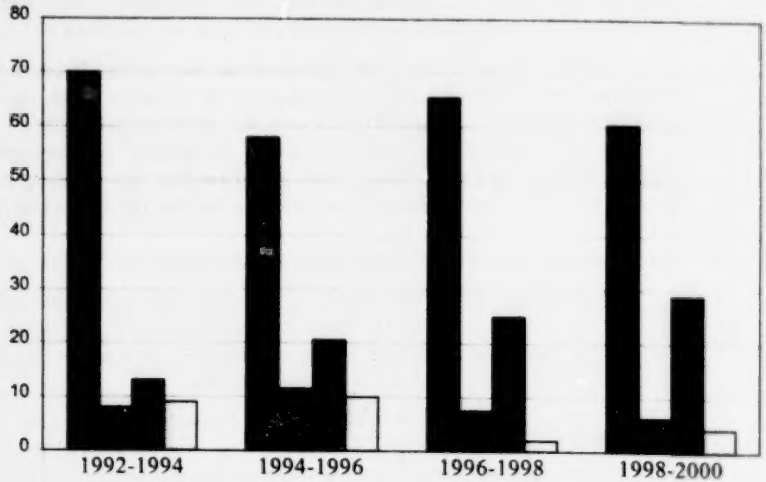
28. Article II of the UNITAR statute states that the Institute shall provide training at various levels to persons, particularly from developing countries. Since the creation of UNITAR, training programmes have benefited 46,815 participants, but UNITAR has not listed them by country and cannot assess the share of developing countries in the total of UNITAR beneficiaries.

29. **The Board recommended that UNITAR update its database so that the Executive Director's report includes a breakdown of participants in training programmes by country category, and UNITAR agreed.**

2. Country contributions and participation in the core training programme

30. The UNITAR statute (article VIII) states that one of the programmes, related to training for international cooperation and multilateral diplomacy and designated as the core training programme, should benefit primarily persons from developing countries. Activity reports, which cover a two-year period from 1 July, show that participants from developing countries are indeed the main beneficiaries (60 per cent during the period from 1 July 1998 to 30 June 2000). However, their proportion has decreased, from 70 per cent in the period 1992-1994 to 60.5 per cent in 1998-2000, while the share of participants from industrialized countries has more than doubled (from 13 per cent in 1992-1994 to 29 per cent in 1998-2000), as shown in the figure below.

Participation in UNITAR training programmes
(percentage)



	1992-1994	1994-1996	1996-1998	1998-2000
■ Developing countries	70	58	65.5	60.5
■ Countries in transition	8	11.5	7.5	6.3
■ Industrialized countries	13	20.5	25	29
□ Others (UN staff, NGOs)	9	10	2	4.2

31. In its resolutions, the General Assembly has repeatedly stressed the discrepancy between country contributions to the General Fund of the Institute and country participation in its programmes. In its resolution 53/195 of 15 December 1998, the Assembly encouraged UNITAR to continue its efforts to address the discrepancy between the contributions to the General Fund of the Institute and participation in its programmes. In its resolution 54/229 of 22 December 1999, the Assembly once again encouraged UNITAR to address the discrepancy between the decline in contributions and the increase in participation in its programmes. In its resolution 55/208, the Assembly called upon developed countries, which were increasingly participating in the training programmes conducted in New York and Geneva, to make contributions or consider increasing their contributions to the General Fund. In its resolution 56/208, the Assembly renewed its appeal to Governments, in particular those of developed countries, and to private institutions that had not yet contributed financially or otherwise to the Institute, to give it their generous financial and other support.

32. However, in the current biennium only seven industrialized countries have contributed to the UNITAR General Fund, and their contributions amounted to 58 per cent of the total. Industrialized countries have an increasing number of participants in this programme without an increase in their contributions to the General Fund. Therefore, the General Assembly requests have received no response so far. The Board of Trustees in May 2002 established a committee, composed of six Trustees, to assist the Executive Director in addressing the discrepancy outlined by the Assembly.

33. While the UNITAR statute (article III) states that the Board of Trustees shall determine the conditions of admission of participants in the Institute's programmes, courses and meetings, there are no rules determining the conditions of admission to the UNITAR core training programme.

34. **The Board recommends that UNITAR issue guidelines addressing the discrepancy outlined by the General Assembly between the decline in contributions to the General Fund of the Institute and the increase in industrialized countries' participation in its programmes, and to comply with article III, paragraph 2, of its statute.**

3. Cases of fraud and presumptive fraud

35. No cases of fraud or presumptive fraud were reported to the Board during the biennium 2000-2001.

D. Acknowledgement

36. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended by the Executive Director and the staff of the United Nations Institute for Training and Research during its audit.

(*Signed*) Shauket A. **Fakie**
Auditor-General of the Republic of South Africa

(*Signed*) Guillermo N. **Carague**
Chairman, Philippine Commission on Audit

(*Signed*) François **Logerot**
First President of the Court of Accounts of France

27 June 2002

Annex

Follow-up on action taken to implement the recommendations of the Board of Auditors in its report for the biennium ended 31 December 1999*

The Board has followed up on the action taken by the United Nations Institute for Training and Research (UNITAR) to implement its recommendations made in the context of its report for the biennium ended 31 December 1999. Table A.1 summarizes the status of implementation of all the previous recommendations, while table A.2 details specifically those recommendations not implemented and those recommendations under implementation that require comment.

A total of 11 recommendations were made in the audit for the biennium 1998-1999. Of the 11 recommendations, 9 (82 per cent) was implemented, 1 (9 per cent) was under implementation and 1 (9 per cent) remained unimplemented.

Table A.1
Summary of status of implementation of recommendations for the biennium 1998-1999

Topic	*Implemented*	*Under implementation*	*Not implemented*	*Total*
A. Financial issues				
Accounts and financial reporting	Para. 10 (a), (b) and (d)	-	-	-
Write-offs	-	Para. 22	-	-
Subtotal				
Number	**4**	**1**	**1**	**6**
Percentage	**66.6**	**16.7**	**16.7**	**100**
B. Management issues				
Procurement	Para. 10 (c) and (e)	-	-	-
Programme management	Para. 43		Para. 28	
Financial management	Para. 10 (f)			
Consultants	Para. 10 (g)			
Personnel	Para. 10 (h)			
Subtotal				
Number	**5**	**0**	**0**	**5**
Percentage	**100**	**0**	**0**	**100**
Total				
Number	**9**	**1**	**1**	**11**
Percentage	**82**	**9**	**9**	**100**

* *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 5D* (A/55/5/Add.4), chap. II.

Table A.2
Details on previous recommendations under implementation or not implemented for the biennium 1998-1999

Component area of concern	*Recommendation*	*Specific management action/comments*	*Comments of the Board*
Deficit balance and write-off, para. 22	UNITAR should appraise the recoverability of the remaining deficit balances and write off any amounts that are not recoverable.	UNITAR has cleared two of the three deficit balances. The most important part of the third balance of $33,227 refers to a payment made by the United Nations Office at Geneva, without referring to UNITAR, to a staff member leaving the Institute.	Under implementation. The Board will follow up on this matter.
UNDP projects, para. 28	UNITAR should obtain from UNDP supporting documentation for the outstanding inter-office vouchers, in the absence of which UNITAR should agree with UNDP on how the amounts concerned should be cleared.	The balance of $23,919 remains unidentified. In letters dated 6 February 2001 and 11 March 2002 and in a reminder e-mailed on 8 May, UNDP was formally requested to write off this balance as charges against closed projects. UNDP has not replied.	Not implemented. The Board expects a prompt answer from UNDP.

Chapter III
Audit opinion

We have audited the accompanying financial statements, comprising statements I to VI, schedules 5.1 and 6.1 and the supporting notes, of the United Nations Institute for Training and Research for the biennium ended 31 December 2001. The financial statements are the responsibility of the Executive Director. Our responsibility is to express an opinion on those financial statements based on our audit.

We conducted our audit in accordance with the common auditing standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, and as considered by the auditor to be necessary in the circumstances, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Executive Director, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the audit opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position as at 31 December 2001 and the results of operations and cash flows for the period then ended in accordance with the Institute's stated accounting policies set out in note 2 to the financial statements, which were applied on a basis consistent with that of the preceding financial period.

Further, in our opinion, the transactions of the Institute which we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and legislative authority.

In accordance with article XII of the Financial Regulations, we have also issued a long-form report on our audit of the Institute's financial statements.

(*Signed*) Shauket A. **Fakie**
Auditor-General of the Republic of South Africa

(*Signed*) Guillermo N. **Carague**
Chairman, Philippine Commission on Audit

(*Signed*) François **Logerot**
First President of the Court of Accounts of France

27 June 2002

Chapter IV
Certification of the financial statements

1. The financial statements of the United Nations Institute for Training and Research for the biennium ended 31 December 2001 have been prepared in accordance with financial rule 111.4.

2. The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes provide additional information and clarification of the financial activities undertaken by the Organization during the period covered by the statements, for which the Secretary-General has administrative responsibility.

3. I certify that the appended financial statements of the United Nations Institute for Training and Research, numbered I to VI, are correct.

(*Signed*) Jean-Pierre **Halbwachs**
Assistant Secretary-General, Controller

6 May 2002

Chapter V
Financial statements for the biennium ended 31 December 2001

Statement I

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH ALL FUNDS SUMMARY[a]

Statement of income and expenditure and changes in reserves and fund balances for the biennium 2000-2001 ending 31 December 2001

(United States dollars)

		Other activities				
	General Fund	Special Purpose Grants Fund [b]	Activities financed by UNDP	All fund eliminations	Total 2001	Total 1999 [c]
INCOME:						
Voluntary contributions received [d]	758 771	10 670 927	-		11 429 698	7 694 694
Funds received under inter-organization arrangements	-	-	937 804		937 804	833 619
Interest income	85 600	439 882	-		525 482	493 750
Programme Support income	778 395	-	-	(778 395)	-	-
Other/miscellaneous income	54 656	137 649	-		192 305	168 902
TOTAL INCOME	1 677 422	11 248 458	937 804	(778 395)	13 085 289	9 190 965
EXPENDITURE:						
Staff and other personnel costs	1 370 331	3 682 608	169 849		5 222 788	4 996 453
Travel	86 136	688 846	113 094		888 076	865 004
Contractual services	11 424	286 723	450 652		748 799	391 610
Operating expenses	202 091	221 007	30 565		453 663	495 224
Acquisitions	37 632	127 356	7 792		172 780	83 219
Fellowships, grants and other	82 639	3 304 917	108 399		3 495 955	2 929 245
Total direct expenditure	1 790 253	8 311 457	880 351		10 982 061	9 760 755
Programme support costs	-	720 942	57 453	(778 395)	-	-
TOTAL EXPENDITURE	1 790 253	9 032 399	937 804	(778 395)	10 982 061	9 760 755
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	-112 831	2 216 059	-		2 103 228	-569 790
Prior period adjustments	-18 048	18 531	-		483	262 518
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	-130 879	2 234 590	-	-	2 103 711	-307 272
Transfers (to)/ from other funds	21 738	3 940	-		25 678	19 585
Refund to donors	-	-213 336	-		(213 336)	(6 077)
Savings on, or cancellation of, prior periods' obligations	22 932	97 732	-		120 664	395 367
Reserves and fund balances, beginning of period	858 729	2 359 965			3 218 694	3 117 091
RESERVES AND FUND BALANCES, END OF PERIOD	**772 520**	**4 482 891**	-	-	**5 255 411**	**3 218 694**

[a] See note 3.

[b] For details by project, see Schedule 6.1.

[c] Reclassified to conform to current presentation.

[d] Effective this biennium, pledged contributions are considered as income.

The accompanying notes are an integral part of the financial statements.

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH ALL FUNDS SUMMARY a/

Statement of assets, liabilities, reserves and fund balances

as at 31 December 2001

(United States dollars)

		Other activities				
	General Fund	Special Purpose Grants Fund	Activities financed by UNDP	All fund eliminations	Total 2001	Total 1999 b/
ASSETS						
Cash and term deposits	790 503	4 823 346	-		5 613 849	4 524 395
Pledged contributions receivable	35 400	-	-		35 400	3 865
Due from United Nations General Fund	-	44 872	73 943		118 815	84 946
Receivable from Funding Source	-	-	377 872		377 872	-
Other accounts receivable	7 946	51 149	2 050		61 145	165 468
TOTAL ASSETS	833 849	4 919 367	453 865	-	6 207 081	4 778 674
LIABILITIES						
Contributions or payments received in advance	26 400	-	-		26 400	10 000
Unliquidated obligations	34 671	374 111	448 371		857 153	611 619
Due to United Nations General Fund	-	-	-		-	-
Payable to Funding Source	-	-	-		-	846 540
Accounts payable	258	62 365	5 494		68 117	91 821
TOTAL LIABILITIES	61 329	436 476	453 865	-	951 670	1 559 980
RESERVES AND FUND BALANCES						
Operating reserves	133 781	-	-		133 781	131 565
Balances relating to projects funded by donors	-	4 482 891	-		4 482 891	2 359 965
Cumulative surplus (deficit)	638 739	-	-		638 739	727 164
TOTAL RESERVES AND FUND BALANCES	772 520	4 482 891	-	-	5 255 411	3 218 694
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	833 849	4 919 367	453 865	-	6 207 081	4 778 674

a/ See note 3

b/ Reclassified to confirm to current presentation.

The accompanying notes are an integral part of the financial statements.

Statement III

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH ALL FUNDS SUMMARY a/

Statement of cash flows

for the biennium 2000-2001 ending 31 December 2001

(United States dollars)

	General Fund	Other activities		Total 2001	Total 1999 b/
		Special Purpose Grants Fund	Activities financed by UNDP		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net excess (shortfall) of income over expenditure (Statement I)	-130 879	2 260 268	-	2 129 389	(307 272)
(Increase) decrease in contributions receivable	-31 535	-	-	(31 535)	(3 865)
(Increase) decrease in other accounts receivable	17 634	64 124	22 565	104 323	74 903
(Increase) decrease in receivable from funding source	-	-	(377 872)	(377 872)	303 275
Increase (decrease) in accounts payable	(24 493)	(4 705)	5 494	(23 704)	81 222
Increase (decrease) in unliquidated obligations	(14 489)	(36 477)	296 500	245 534	(829 359)
Increase (decrease) in other liabilities	16 400	-	(846 540)	(830 140)	72 409
Less: Interest income received	(85 600)	(439 882)	-	(525 482)	(493 750)
NET CASH FROM OPERATING ACTIVITIES	**(252 962)**	**1 843 328**	**(899 853)**	**690 513**	**(1 102 437)**
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES:					
(Increase) decrease in due from United Nations General Funds	46 130	(9 525)	(70 474)	(33 869)	(21 803)
Increase (decrease) in due to United Nations General Funds	-	-	-		(40 395)
Plus: Interest income received	85 600	439 882	-	525 482	493 750
NET CASH FROM INVESTING AND FINANCING ACTIVITIES	**131 730**	**430 357**	**(70 474)**	**491 613**	**431 552**
CASH FLOWS FROM OTHER SOURCES:					
Savings on, or cancellation of, prior periods' obligations	22 932	97 732	-	120 664	395 367
Other adjustments to reserves and fund balances	21 738	(235 074)	-	(213 336)	13 508
NET CASH FROM OTHER SOURCES	**44 670**	**(137 342)**	**-**	**(92 672)**	**408 875**
NET INCREASE (DECREASE) IN CASH AND TERM DEPOSITS	(76 562)	2 136 343	(970 327)	1 089 454	(262 010)
CASH AND TERM DEPOSITS, BEGINNING OF PERIOD	**867 065**	**2 687 003**	**970 327**	**4 524 395**	**4 786 405**
CASH AND TERM DEPOSITS, END OF PERIOD	**790 503**	**4 823 346**	**-**	**5 613 849**	**4 524 395**

a/ See note 3

b/ Reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Statement IV

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH - GENERAL FUND

Status of expenditures against budget
for the biennium 2000-2001 ending 31 December 2001
(United States dollars)

Programme	Approved budget	Expenditures			Unencumbered balance
		Disbursements	Unliquidated obligations	Total	
Geneva Headquarters	1 026 700	934 411	4 678	939 089	87 611
New York Office	623 000	537 887	27 320	565 207	57 793
Training in Diplomacy	286 100	283 284	2 673	285 957	143
Total	**1 935 800**	**1 755 582**	**34 671**	**1 790 253**	**145 547**

The accompanying notes are an integral part of the financial statements.

Statement V

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH GENERAL FUND a/

Statement of income and expenditure and changes in reserves and fund balances
for the biennium 2000-2001 ending 31 December 2001
(United States dollars)

	2001	1999 b/
INCOME:		
Voluntary contributions received c/	758 771	903 410
Funds received under inter-organization arrangements	-	19 446
Interest income	85 600	101 834
Programme Support income	778 395	827 681
Other/miscellaneous income	54 656	130 605
TOTAL INCOME	1 677 422	1 982 976
EXPENDITURE:		
Staff and other personnel costs	1 370 331	1 165 929
Travel	86 136	96 141
Contractual services	11 424	47 944
Operating expenses	202 091	267 357
Acquisitions	37 632	40 696
Fellowships, grants and other	82 639	90 831
TOTAL EXPENDITURE	1 790 253	1 708 898
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(112 831)	274 078
Prior period adjustments	(18 048)	(12 742)
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(130 879)	261 336
Transfers (to)/ from other funds	21 738	28 025
Savings on, or cancellation of, prior periods' obligations	22 932	20 060
Reserves and fund balances, beginning of period	858 729	549 308
RESERVES AND FUND BALANCES, END OF PERIOD	**772 520**	**858 729**

Statement of assets, liabilities, reserves and fund balances
as at 31 December 2001
(United States dollars)

	2001	1999 b/
ASSETS		
Cash and term deposits	790 503	867 065
Pledged contributions receivable	35 400	3 865
Due from United Nations General Fund	-	46 130
Other accounts receivable	7 946	25 580
TOTAL ASSETS	833 849	942 640
LIABILITIES		
Contributions or payments received in advance	26 400	10 000
Unliquidated obligations	34 671	49 160
Due to United Nations General Fund	-	-
Accounts payable	258	24 751
TOTAL LIABILITIES	61 329	83 911
RESERVES AND FUND BALANCES		
Operating reserves	133 781	131 565
Cumulative surplus (deficit)	638 739	727 164
TOTAL RESERVES AND FUND BALANCES	772 520	858 729
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	833 849	942 640

a/ See note 3

b/ Reclassified to conform to current presentation.

c/ Effective this biennium, pledged contributions are considered as income.

The accompanying notes are an integral part of the financial statements.

Schedule 5.1

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH GENERAL FUND

Status of pledges unpaid as at 31 December 2001

(United States dollars)

Countries	Unpaid pledges as at 01-Jan-00	Add: voluntary contributions for 2000-2001 and other adjustments	Add: pledges for future years	Less: Collection 2000-2001	Less: Loss (gain) on exchange	Unpaid pledges as at 31-Dec-01
Algeria	-	5 000	5 000	5 000	-	5 000
Bahama	-	3 000	-	3 000	-	-
Brunei	-	10 000	-	10 000	-	-
Chile	-	10 000	5 000	10 000	-	5 000
China	-	20 000	-	20 000	-	-
Cyprus	-	3 555	2 000	3 555	-	2 000
Czech	-	37 585	-	37 585	-	-
Egypt	-	11 975	7 000	11 975	-	7 000
France	-	85 438	-	85 438	-	-
Ghana	-	5 000	-	-	-	5 000
Greece	-	13 200	-	13 200	-	-
Holy See	-	2 000	-	2 000	-	-
India	-	18 026	-	18 026	-	-
Indonesia	-	4 000	-	4 000	-	-
Ireland	-	16 317	-	16 317	-	-
Japan	-	154 000	-	154 000	-	-
Korea	-	19 975	-	19 975	-	-
Kuwait	-	40 000	-	40 000	-	-
Malta	-	1 356	-	1 356	-	-
Maurice	-	2 414	-	2 414	-	-
Mexico	-	10 000	-	10 000	-	-
Morocco	-	4 000	4 000	4 000	-	4 000
Nigeria	-	107 936	-	107 936	-	-
Rwanda	-	992	-	992	-	-
Saudi Arabia	-	10 000	-	10 000	-	-
Slovenia	-	580	-	580	-	-
Sri Lanka	-	1 975	-	1 975	-	-
Switzerland	-	115 228	-	115 228	-	-
Thailand	-	2 000	2 000	2 000	-	2 000
Tunisia	1 865	3 383	1 400	5 138	110	1 400
Uruguay	-	1 000	-	1 000	-	-
Yemen	2 000	2 000	-	-	-	4 000
Subtotal	3 865	721 934	26 400	716 689	110	35 400
Public Donations	-	36 837	-	36 837	-	-
TOTAL	3 865	758 771	26 400	753 526	110	35 400

Statement VI

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH OTHER ACTIVITIES a/

Statement of income and expenditure and changes in reserves and fund balances

for the biennium 2000-2001 ending 31 December 2001

(United States dollars)

	Special Purpose Grants Fund		Activities financed by UNDP	
	2001 b	1999 c	2001 b	1999 c
INCOME:				
Voluntary contributions received d/	10 696 605	6 791 284	-	-
Funds received under inter-organization arrangements	-	-	937 804	814 173
Interest income	439 882	391 916	-	-
Other/miscellaneous income	137 649	38 297	-	-
TOTAL INCOME	11 274 136	7 221 497	937 804	814 173
EXPENDITURE:				
Staff and other personnel costs	3 682 608	3 454 502	203 638	376 022
Travel	688 846	671 386	79 305	97 477
Contractual services	286 723	291 149	450 652	52 517
Operating expenses	221 007	219 805	30 565	8 062
Acquisitions	127 356	41 742	7 792	781
Fellowships, grants and other	3 304 917	2 646 582	108 399	191 832
Total direct expenditure	8 311 457	7 325 166	880 351	726 691
Programme support costs	720 942	740 199	57 453	87 482
TOTAL EXPENDITURE	9 032 399	8 065 365	937 804	814 173
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	2 241 737	(843 868)	-	-
Prior period adjustments	18 531	294 845	-	-
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	2 260 268	(549 023)	-	-
Transfers (to)/ from other funds	(21 738)	(28 025)	-	-
Refund to donors	(213 336)	(6 077)	-	-
Savings on, or cancellation of, prior periods' obligations	97 732	375 307	-	-
Reserves and fund balances, beginning of period	2 359 965	2 567 783	-	-
RESERVES AND FUND BALANCES, END OF PERIOD	**4 482 891**	**2 359 965**	-	-

Statement of assets, liabilities, reserves and fund balances

as at 31 December 2001

	Special Purpose Grants Fund		Activities financed by UNDP	
	2001	1999	2001	1999
ASSETS				
Cash and term deposits	4 823 346	2 687 003	-	970 327
Receivable from funding source	-	-	377 872	-
Other accounts receivable	96 021	150 620	75 993	28 084
TOTAL ASSETS	4 919 367	2 837 623	453 865	998 411
LIABILITIES				
Contributions or payments received in advance	-	-	-	846 540
Unliquidated obligations	374 111	410 588	448 371	151 871
Accounts payable	62 365	67 070	5 494	-
TOTAL LIABILITIES	436 476	477 658	453 865	998 411
RESERVES AND FUND BALANCES				
Balances relating to projects funded by donors	4 482 891	2 359 965	-	-
TOTAL RESERVES AND FUND BALANCES	4 482 891	2 359 965	-	-
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	4 919 367	2 837 623	453 865	998 411

[a] See note 3.

[b] For details by project, see Schedule 6.1.

[c] Reclassified to conform to current presentation.

[d] Effective this biennium, pledged contributions are considered as income.

The accompanying notes are an integral part of the financial statements.

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH
SPECIAL PURPOSE GRANTS FUND
Schedule of income, expenditure and fund balance by project
for the biennium 2000-2001 ending 31 December 2001
(United States dollars)

Projects	Fund balance 1-Jan-2000	Income from grants	Other income and adjustments a/	Funds available	Expenditure: Disbursements b/	Expenditure: Unliquidated obligations	Expenditure: Total expenditures	Fund balance 31-Dec-2001
Multilateral Diplomacy and International Affairs Management								
UN/UNITAR Fellowship Programme in International Law 1997	32 708	354 660	30 290	417 659	246 917	9 936	256 853	160 806
Programme de formation a la fonction publique internationale	13 836	388 380	6 955	409 171	383 170	1 506	384 675	24 496
Fellowship Programme on International Law for Central Asia and Middle Eastern Countries	14 366	-	(155)	14 211	13 951	-	13 951	260
Fellowship Programme in International Affairs Management	11 448	500	256	12 204	12 204	-	12 204	-
The Foundation for Advanced Studies on International Development (FASID) - Course on International Organizations	6 545	-	(503)	6 042	6 042	-	6 042	-
Gambia Workshop on the United Nations Systems and its reform	9 608	-	1 233	10 842	5 085	-	5 085	5 757
Fellowship Programme in Multilateral Affairs Management	5 381	-	382	5 763	5 763	-	5 763	-
Junior Professional Officer Support for Multilateral Diplomacy, German Contribution	101 596	-	(79 656)	21 940	17 767	-	17 767	4 173
Junior Professional Officer Support for Multilateral Diplomacy, Austrian Contribution	44 312	75 462	4 411	124 185	66 197	-	66 197	57 988
Junior Professional Officer Support for Multilateral Diplomacy, German 2000 Contribution	-	178 002	7 288	185 290	99 351	2 943	102 294	82 996
IAM Trust Fund	-	8 720	6 288	15 007	-	-	-	15 007
Support for Multilateral Diplomacy, Japan	-	103 570	3 156	106 726	81 900	-	81 900	24 826
2001 Fellowship Programme in the International Affairs Management: Capacity Building for Human Security	-	47 300	854	48 154	43 307	-	43 307	4 846
Swiss Contribution - International Migration Policy Programme	-	114 798	3 614	118 412	67 609	964	68 573	49 839
Orientation Training on the United Nations System for UN Associations from Eastern & Central Europe	-	8 814	130	8 944	4 867	766	5 634	3 311
A la Carte Workshop on Chairing, Participating and Negotiating, Malawi	-	-	14 683	14 683	624	3 929	4 552	10 131
Sub total	**239 880**	**1 280 206**	**(774)**	**1 519 231**	**1 054 754**	**20 044**	**1 074 798**	**444 434**
Programme in Peacemaking and Preventive Diplomacy								
Fellowship Programme in Peacemaking and Preventive Diplomacy	124 932	159 186	22 214	306 331	246 249	3 549	249 799	56 533
Regional Programme in Peacebuilding	4 374	-	494	4 869	4 869	-	4 869	-
International Court of Justice/UNITAR Seminar	6 990	-	310	7 300	7 300	-	7 300	-
Senior Seminar on Peacemaking and Preventive Diplomacy	396	-	(396)	-	-	-	-	-
Regional Training Programme in Conflict Prevention and Peacebuilding in Africa	-	509 249	14 989	524 238	377 943	-	377 943	146 295
All Africa Conference on African Principles of Conflict Resolution	31 678	62 763	4 037	98 478	73 573	1 036	74 609	23 868
UNITAR-RPTC Training Programme to Enhance Conflict Prevention and Peacebuilding in Southern Africa	-	56 300	(1 515)	54 785	54 632	-	54 632	154
Programme for Briefing and Debriefing Special Representatives and Envoys of the Secretary General	-	851 697	29 650	881 347	493 185	39 688	532 873	348 475
Training Programme to Enhance the Conflict Resolution and Peacebuilding Capacities of Minority and Indigenous Peoples' Representatives	-	117 900	731	118 631	112 368	-	112 368	6 262
Programme on Peace Research and Training	-	12 058	(119)	11 939	11 933	-	11 933	6
UNITAR-RPTC Training Programme to Enhance Conflict Prevention and Peacebuilding in Southern Africa, Phase 2	-	64 700	3 877	68 577	58 849	31	58 880	9 697
TRAINING PROGRAMME TO ENHANCE THE CONFLICT RESOLUTION AND PEACEBUILDING CAPACITIES OF MINORITIES AND INDIGENOUS PEOPLE'S REPRESENTATIVES-PART 2	-	182 553	3 179	185 732	130 066	14 481	144 547	41 185
Regional Training Programme on Conflict Resolution with Indigenous peoples of the American-Danish Contribution	-	57 474	251	57 725	37 452	19 500	56 952	773
Sub total	**168 370**	**2 073 880**	**77 703**	**2 319 952**	**1 608 419**	**78 285**	**1 686 704**	**633 248**

Schedule 6.1

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH
SPECIAL PURPOSE GRANTS FUND
Schedule of income, expenditure and fund balance by project
for the biennium 2000-2001 ending 31 December 2001
(United States dollars)

Projects	Fund balance 1-Jan-2000	Income from grants	Other income and adjustments a/	Funds available	Expenditure			Fund balance 31-Dec-2001
					Disbursements b/	Unliquidated obligations	Total expenditures	
Training for Civilian Personnel in UN Peace-Keeping Operations								
Programme on Training Peacekeepers on the Special Needs of Women and Children in Conflict	-	261 975	4 197	266 172	27 665	15 599	43 263	222 909
Civilian Peacekeepers in Kosovo	-	18 519	160	18 679	-	-	-	18 679
Sub total	-	**280 494**	**4 357**	**284 851**	**27 665**	**15 599**	**43 263**	**241 587**
New York Activities								
G77, Workshops on Building Negotiating Capacity	-	263 655	5 764	269 419	254 146	5 289	259 435	9 983
UNDP/UNITAR Programme for the Training of the Trainers on Negotiation and Consensus Building for the Group of 77	-	39 582	-	39 582	39 582	-	39 582	-
UNITAR New York Trust Fund	-	7 500	355	7 855	615	2 622	3 237	4 618
Sub total	-	**310 737**	**6 119**	**316 856**	**294 343**	**7 911**	**302 254**	**14 602**
UNITAR Hiroshima Programmes								
The UNITAR Hiroshima Centre	-	354 980	8 408	363 388	144 844	4 530	149 373	214 015
Sub total	-	**354 980**	**8 408**	**363 388**	**144 844**	**4 530**	**149 373**	**214 015**
UNITAR/IPS/JIIA Conference Series on Peace Keeping								
Debriefing & lessons learnt from UN Peacekeeping Operations	17 157	-	(649)	16 508	16 013	194	16 207	301
Reform of UN peace operations: debriefing & lessons	-	70 286	5 860	76 146	63 968	1 900	65 868	10 278
Sub total	**17 157**	**70 286**	**5 211**	**92 654**	**79 981**	**2 094**	**82 075**	**10 579**
Decentralized Cooperation								
Cooperation decentralizes	-	229 656	74 095	303 751	114 084	71 927	186 011	117 740
Projet Divonne	36 368	-	(36 368)	-	-	-	-	-
United Nations Integrated Rural Development Programme for Bedbock-Hermel	2 775	54 078	7 522	64 375	53 095	4 954	58 050	6 325
Sub total	**39 143**	**283 734**	**45 250**	**368 126**	**167 180**	**76 881**	**244 061**	**124 065**
Chemicals and Waste Management								
Training and Capacity Building Programmes in Chemical and Waste Management	399 432	1 012 659	99 753	1 511 844	971 888	78 169	1 050 057	461 787
Junior Professional Officer Support for Chemical and Waste Management Training Programmes	99 589	-	(99 589)	-	-	-	-	-
Training and Capacity Building Programmes in Chemical and Waste Management, section 2	-	542 866	25 589	568 455	348 764	9 587	358 351	210 103
Junior Professional Officer Support for Chemical and Waste Management Training Programme, section 2	-	-	5 888	5 888	5 888	-	5 888	-
Sub total	**499 021**	**1 555 525**	**31 641**	**2 086 187**	**1 326 540**	**87 756**	**1 414 296**	**671 890**
Climate Change Programme								
CC: TRAIN- Phase 2	145 466	540 634	97 301	783 401	722 634	8 697	731 330	52 071
The Contribution to a Country Driven Assessment of Capacity Building Needs Relevant to the Kyoto Protocol in Developing Countries	-	399 945	815	400 760	390 188	8 492	398 680	2 079
UNITAR/North-South Dialogue Kyoto Protocol Capacity-Building Needs Assessment Project	-	173 597	842	174 439	165 630	3 696	169 326	5 112
Sub total	**145 466**	**1 114 176**	**98 957**	**1 358 600**	**1 278 452**	**20 885**	**1 299 337**	**59 263**

Schedule 6.1

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH
SPECIAL PURPOSE GRANTS FUND
Schedule of income, expenditure and fund balance by project
for the biennium 2000-2001 ending 31 December 2001
(United States dollars)

Projects	Fund balance 1-Jan-2000	Income from grants	Other income and adjustments a/	Funds available	Expenditure: Disbursements b/	Expenditure: Unliquidated obligations	Expenditure: Total expenditures	Fund balance 31-Dec-2001
Training for the Application of Environmental Law								
Training Programme for the Application of Environmental Law	20 304	528 349	20 299	568 953	494 233	22 216	516 450	52 503
Application of Environmental Law - Five Eastern African Countries	910	-	(910)	-	-	-	-	-
UNITAR Workshop for the Asia-Pacific Region on the Implementation of Multilateral Agreements related to Biological Diversity, Kushiro, Japan, 14-19 September 1998 / Capacity 21 Contribution	1 259	-	(1 259)	-	-	-	-	-
Junior Professional Officer Support for Environmental Law Training Programme	71 666	87 955	(1 423)	158 198	93 981	4 075	98 056	60 141
Training for the Asia-Pacific region on the implementation of multilateral agreements related to biological diversity, Kushiro Japan 2001	-	153 893	777	154 670	150 928	2 858	153 785	885
Environmental law, EPA contribution	-	30 000	-	30 000	-	-	-	30 000
Sub total	**94 138**	**800 197**	**17 486**	**911 821**	**739 142**	**29 149**	**768 291**	**143 529**
Foreign Economic Relations								
Capacity Building Programme in Financial Management for Palestine Authority	98 762	-	12 905	111 667	-	-	-	111 667
Capacity Building	26 287	25 000	2 972	54 258	30 510	-	30 510	23 748
Training Programme On Customs Modernization and Trade Facilitations, Trade and Development Related Activities	8 853	99 988	13 681	122 522	15 065	-	15 065	107 456
Training Programme in Legal Aspects of Debt and Financial Management (Sub-Saharan Africa)	183 835	-	23 797	207 632	49 850	-	49 850	157 782
Training Programme on Legal Aspects of Debt Management (Central Asian Republics)	145 462	-	26 606	172 068	147 286	-	147 286	24 782
Emergency Settlement	19 200	-	2 509	21 709	-	-	-	21 709
Training Programme on the WTO for Parliamentarians in Central Asia	-	12 800	(275)	12 525	12 525	-	12 525	-
Capacity Building for Tajikistan	-	667 642	4 520	672 162	110 031	3 871	113 902	558 260
Sub total	**482 399**	**805 430**	**86 714**	**1 374 543**	**365 267**	**3 871**	**369 138**	**1 005 404**
Legal Aspects of Debt and Financial Management								
Training Programme on Legal Aspects of Debt Management (Sub-Saharan Africa)	264 092	693 664	47 452	1 005 207	763 431	10 107	773 538	231 669
Training Programme on the Legal Aspects of Debt and Financial Management for Vietnam	28 691	29 061	2 283	60 035	49 404	2 500	51 904	8 131
E. & S. African Institute for Debt. Mgt.	5 860	-	629	6 489	3 360	-	3 360	3 130
ESACA/UNITAR Debt Programme of French-speaking Africa	-	13 047	189	13 235	3 320	461	3 781	9 455
Sub total	**298 643**	**735 772**	**50 552**	**1 084 967**	**819 514**	**13 068**	**832 582**	**252 385**
Modern Information and Communications Technology								
Systèmes d'information intégrés sur l'environnement	90 805	154 830	3 510	249 144	190 757	7 743	198 500	50 645
Information for development programme	24 747	23 152	2 815	50 714	35 355	-	35 355	15 359
Telecommunications pour le Développement au Gabon	386	-	(386)	-	-	-	-	-
Pilot Training to Senegalese Municipal Capacities in Management of Information System (Habitat)	2 727	-	(2 727)	-	-	-	-	-
Report on Adaptation: UNFCCC Contract	1 570	-	(1 570)	-	-	-	-	-
Mise en place du Système d'information et de Suivi de l'environnement sur internet (SISEI) - Benin	8 390	-	(8 390)	-	-	-	-	-
CD-Rom Internet on Soil	3 604	103 713	5 022	112 339	71 976	880	72 856	39 483
UNITAR's support to new UNEP Global Participative Observing and Assessment Strategy	-	298 000	(7 460)	290 540	237 851	2 308	240 159	50 380
Junior Professional Officer Support for Information Society and Development, GEF	-	233 040	6 975	240 015	118 279	200	118 479	121 536
Strengthening the Capacities of Municipalities in Development Management and Service Provision, Kosovo	-	123 240	2 780	126 020	67 619	2 907	70 526	55 494
Formation des Journalistes en RDC	-	29 400	171	29 571	26 889	-	26 889	2 683
Dioxin at Tolik	-	65 143	282	65 425	-	-	-	65 425
Sub total	**132 229**	**1 030 518**	**1 021**	**1 163 768**	**748 725**	**14 038**	**762 763**	**401 005**

Schedule 6.1

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH
SPECIAL PURPOSE GRANTS FUND
Schedule of income, expenditure and fund balance by project
for the biennium 2000-2001 ending 31 December 2001
(United States dollars)

Projects	Fund balance 1-Jan-2000	Income from grants	Other income and adjustments a/	Funds available	Expenditure			Fund balance 31-Dec-2001
					Disbursements b/	Unliquidated obligations	Total expenditures	
Miscellaneous Projects								
Training Programme for Disaster Relief Managers in the Sahel Countries (DCA contribution - Swiss Directorate of Development Cooperation and Humanitarian Aid)	10 640	-	(10 640)	-	-	-	-	-
UNITAR Publications	14 203	215	5 433	19 852	3 464	-	3 464	16 388
UNITAR Centre on Heavy Crude and Tar Sands	208 371	-	30 298	238 670	-	-	-	238 670
7th Conference on Heavy Crude, Beijing	165	-	(165)	-	-	-	-	-
6th centre on Heavy Crude and Tar Sands	2 667	-	(2 667)	-	-	-	-	-
UNEP-Caribbean/UNITAR Training Programme on Analysis of Changing Coastal/Land Use Patterns	546	-	(546)	-	-	-	-	-
Culture Origin Research of Development Process (L'Origine)	39 846	-	5 207	45 053	-	-	-	45 053
UNFPA/IOM/UNITAR The International Migration Policy and Law Courses	9 531	-	(9 531)	-	-	-	-	-
Centre on Small Energy Resources- Italy	9 005	-	(9 005)	-	-	-	-	-
GIS for Natural Resource and Environmental Management	(3 055)	-	3 055	-	-	-	-	-
NASA/UNITAR Programme	(15 094)	456	14 639	-	-	-	-	-
Research And Training in Natural Resource Evaluation and Environmental Management	(33 227)	-	-	(33 227)	-	-	-	(33 227)
Sub total	243 680	671	26 977	270 348	3 464	-	3 464	266 884
Grand total	2 359 965	10 696 605	458 720	13 515 290	8 658 288	374 111	9 032 399	4 482 891

a/ Comprises interest income, miscellaneous income, prior year adjustment, transfer between projects, refund to donors and prior period savings, as well as loss on exchange.

b/ Includes Programme Support Cost of $720,942.

Notes to the financial statements

Note 1
The United Nations Institute for Training and Research and its activities

(a) The United Nations Institute for Training and Research (UNITAR) was established in 1965 as an autonomous body within the United Nations for the purpose of enhancing the effectiveness of the Organization through appropriate training and research. UNITAR is governed by a Board of Trustees and is headed by an Executive Director. The Institute is supported by voluntary contributions from Governments, intergovernmental organizations, foundations and other non-governmental sources.

(b) UNITAR develops, improves and extends training programmes in the fields of international affairs management and in economic and social development. The Institute's functions may be summarized as follows:

(i) To conduct training programmes in multilateral diplomacy and international cooperation for diplomats accredited to the United Nations and national officials involved in work related to United Nations activities;

(ii) To carry out a wide range of training programmes in the field of social and economic development, generally at the request of Governments, multilateral organizations and public and private development cooperation agencies;

(iii) To establish and strengthen cooperation with faculties and academic institutions, in particular for the development of research and for training.

(c) Current UNITAR training programmes are presented under the following titles:

(i) Multilateral diplomacy, negotiations and conflict resolution;

(ii) Preventive diplomacy, peacemaking and peacekeeping;

(iii) Environmental and natural resources management;

(iv) Debt and financial management and foreign economic relations;

(v) New information and communication technologies;

(vi) International migration policy;

(vii) Decentralized cooperation.

(d) UNITAR receives requests for programme design and implementation from the United Nations Development Programme, the United Nations Environment Programme and other United Nations bodies and the secretariats of United Nations conventions (such as those of the United Nations Framework Convention on Climate Change, the United Nations Convention to Combat Desertification and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal). UNITAR has also developed a training programme on the London Guidelines for the Exchange of Information on Chemicals in International Trade and Prior Informed Consent Procedure, including on toxic chemicals and pollutant release transfer registers. The Institute views this as a part of its mission to be an effective training arm of the United Nations. With the new cooperative links being

established with agencies and organs of the United Nations system, with governmental and private development cooperation agencies and with training institutes in industrialized and developing countries and countries in transition (in Africa, Asia, Latin America and the Caribbean and Europe), the Institute is becoming an increasingly important provider of training to a large constituency in different sectors.

Note 2
Summary of significant accounting and reporting policies of the United Nations Institute for Training and Research

(a) As provided in article VIII of its Statute, the UNITAR accounts are maintained in accordance with the Financial Regulations of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the regulations and administrative instructions issued by the Under-Secretary-General for Management or the Controller. They also take fully into account the United Nations system accounting standards, as adopted by the Administrative Committee on Coordination. The Institute follows international accounting standard 1 on the disclosure of accounting policies, as modified and adopted by the Committee, as follows:

(i) Going concern, consistency and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, the disclosure of such assumptions is not required. If a fundamental accounting assumption is not followed, that fact should be disclosed together with the reasons;

(ii) Prudence, substance over form and materiality should govern the selection and application of accounting policies;

(iii) Financial statements should include clear and concise disclosure of all significant accounting policies that have been used;

(iv) The disclosure of the significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place;

(v) Financial statements should show comparative figures for the corresponding period of the preceding financial period;

(vi) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified.

(b) The Institute's accounts are maintained on a fund accounting basis. Separate funds for general or special purposes may be established by the General Assembly or the Executive Director. Each fund is maintained as a distinct financial and accounting entity. Separate financial statements are prepared for each fund or for a group of funds of the same nature.

(c) The financial period of the Institute is a biennium and consists of two consecutive calendar years.

(d) The accounts of the Institute are presented in United States dollars. Accounts maintained in other currencies are translated into United States dollars at the time of the transaction at rates of exchange established by the Under-Secretary-General for Management. In respect of such currencies, the financial statements, prepared at such intervals as may be prescribed by the Controller under delegation of authority from the Under-Secretary-General for Management, shall reflect the cash, investments, unpaid pledges and current accounts receivable and payable in currencies other than United States dollars, translated at the applicable United Nations rates of exchange in effect as at the date of the statements. In the event that the application of actual exchange rates at the date of the statements would provide a valuation materially different from the application of the United Nations rates of exchange for the last month of the financial period, a footnote will be presented quantifying the difference.

(e) The Institute's financial statements are prepared on the historical cost basis of accounting and are not adjusted to reflect the effects of changing prices for goods and services.

(f) The Institute's financial statements are presented in accordance with the recommendations of the Working Party on Accounting Standards of the Administrative Committee on Coordination.

(g) Income:

(i) Voluntary contributions from donors are recorded as income on the basis of a written commitment to pay monetary contributions at specified times within the current financial period;

(ii) Interest income includes all interest earned on deposits in various bank accounts as well as investment income earned on marketable securities and other negotiable instruments. All realized losses and net unrealized losses on short-term investments are offset against investment income;

(iii) Miscellaneous income includes net income realized from revenue-producing activities, income from the rental of premises, the sale of used or surplus property, refunds of expenditures charged to prior periods, income from net gains resulting from currency translations, settlements of insurance claims, monies accepted for which no purpose was specified and other sundry income;

(iv) Income received under interorganizational arrangements represents allocations of funding from agencies to enable the Institute to administer projects or other programmes on their behalf. The allocation income from UNDP is determined taking into account interest and other miscellaneous income against total expenditure;

(v) Income for future financial periods is not recognized in the current financial period and is recorded as deferred income, as described below (para. (j) (iv)).

(h) Expenditure:

(i) Expenditures are incurred against authorized allotments. Total expenditures reported include unliquidated obligations and disbursements;

(ii) Expenditures incurred for non-expendable property are charged to the budget of the period when acquired and are not capitalized. The inventory of such non-expendable property is maintained at historical cost;

(iii) Expenditures for future financial periods are not charged to the current financial period and are recorded as deferred charges as described below (para. (i) (ii));

(iv) The expenditures do not include possible costs to cover contingencies under appendix D to the United Nations Staff Rules for personnel financed under resources obtained from voluntary contributions to the UNITAR General Fund and the Special-Purpose Grants Fund.

(i) Assets:

(i) Cash and term deposits comprise funds in demand-deposit accounts and interest-bearing bank deposits;

(ii) Deferred charges normally comprise expenditure items that are not properly chargeable in the current financial period. They will be charged as expenditures in a subsequent period. These expenditure items include commitments approved by the Controller for future financial periods in accordance with financial rule 110.6. Such commitments are normally restricted to administrative requirements of a continuing nature and to contracts or legal obligations where long lead times are required for delivery;

(iii) Maintenance and repairs of capital assets are charged against the appropriate budgetary accounts. Furniture, equipment, other non-expendables and leasehold improvements are not included in the assets of the Institute. Acquisitions are charged against budgetary accounts in the year of purchase. The value of non-expendable property is disclosed in the notes to the financial statements.

(j) Liabilities, reserves and fund balances:

(i) Commitments in respect of UNITAR relating to prior-period, current and future financial periods are shown as unliquidated obligations. Current-period obligations related to the General Fund and Special-Purpose Grants Fund remain valid for 12 months following the end of the biennium to which they relate. However, for the activities financed by UNDP, in accordance with UNDP reporting requirements, executing agencies may retain unliquidated obligations beyond 12 months when a firm liability to pay still exists. Savings on the liquidation of prior-period obligations are credited to individual projects as a reduction of current-period expenditure in accordance with UNDP reporting requirements;

(ii) Operating and other types of reserves are included in the totals for reserves and fund balances shown in the financial statements;

(iii) Unliquidated obligations for future years are reported both as deferred charges and as unliquidated obligations;

(iv) Deferred income includes pledged contributions for future periods, advance sales realized under revenue-producing activities and other income received but not yet earned.

(k) UNITAR salaries are charged to the budget on a net basis during the year in which the services have been rendered. Income tax refunds are charged to the year in which they are made to the staff member.

(l) The United Nations Institute for Training and Research is a member organization of the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined-benefit plan. The financial obligation of the Institute to the Fund consists of its mandated contribution at the rate established by the Assembly together with its share of any actuarial deficiency payments under article 26 of the regulations of the Fund. Such deficiency payments are payable only if and when the Assembly has invoked article 26 following a determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as at the valuation date. As at the date of the current financial statement, the Assembly had not invoked that provision.

Note 3
All funds summary: income, expenditure and changes in reserves and fund balances (statement I); assets, liabilities, reserves and fund balances (statement II); and cash flows (statement III)

(a) Statements I, II and III contain financial results for the United Nations Institute for Training and Research, which are totalled into three groups of related funds and, after elimination, consolidated into a grand total reflecting all activities of the Institute. This consolidated presentation should not be interpreted to mean that any of the individual funds can be used for any purpose other than that for which it is authorized. The three groups consist of:

(i) The General Fund;

(ii) The Special-Purpose Grants Fund;

(iii) Activities financed by UNDP.

(b) Statement I includes two calculations of the excess (shortfall) of income over expenditure. The first calculation is based on income and expenditure only for the current period in the biennium. The second calculation shown is a net one, which includes any prior-period adjustments to income or expenditure.

(c) The cash flow summary statement is based on the indirect method of cash flow statements covered by international accounting standard 7.

(d) Non-expendable property. In accordance with United Nations accounting policies, non-expendable property is not included in the fixed assets of the Institute but is charged against the current appropriations when acquired. The non-expendable property, valued at historical cost, according to the cumulative inventory records of the Institute, was $116,407 as at 31 December 2001.

Note 4
Liability for end-of-service and post-retirement benefits

(a) UNITAR has not specifically recognized in any of its financial accounts liabilities for after-service health insurance costs or other types of end-of-service payments that will be owed when staff members leave the Institute. In order to gain a better understanding of the financial dimensions of the Institute's liability for

after-service health insurance, a consulting actuary was engaged by the United Nations to carry out an actuarial valuation of post-retirement health insurance benefits and, on the basis of the study, it was estimated that the Institute's liability as at 1 January 2001 projected to 31 December 2001 for after-service health insurance benefits was as follows (in United States dollars):

	Present value of future benefits	*Accrued liability*
Gross liability	2 449 000	1 052 000
Offset from retiree contributions	(563 000)	(242 000)
Net liability	**1 886 000**	**810 000**

(b) The present value of future benefits figures shown above are the discounted values of all benefits to be paid in future to all active employees expected to retire. The accrued liabilities represent those portions of the present value of benefits that have accrued from the date of the staff members' entry on duty until the valuation date. Active staff members' benefits are fully accrued on the date on which they become fully eligible for benefits.

(c) Staff members who separate from the Institute are entitled to be paid for any unused vacation days they may have accrued up to a maximum of 60 days. The Institute's total liability for such unpaid accrued vacation compensation as at 31 December 2001 is estimated to be approximately $184,000.

(d) Some staff members are entitled to repatriation grants and related relocation expenditures upon their termination from the Institute based on the number of years of service. The Institute's total liability for such unpaid repatriation and relocation entitlement as at 31 December 2001 is estimated to be approximately $397,000.

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